

Memorandum of Agreement

Between

_____ **County Habitat for Humanity**

And

_____ **County**

The following is a Memorandum of Agreement between _____ County Habitat for Humanity and the _____ County. This agreement is designed to facilitate the production of affordable housing in _____ County. This agreement will be exercised within the parameters outlined below.

1. The _____ County allocates a portion of its county allocation program funding or Program Income to a partnership with _____ County Habitat for Humanity. The County will cap its funding at \$10,000 per Habitat home project.
2. The County Housing funds will be used to write down the principal of the loan made by _____ County Habitat for Humanity to an eligible homebuyer. Funds are meant to offset the costs of land acquisition and property site improvements (generally limited to clearance of site in preparation for construction, sewer and water hook-ups, well and/or septic systems, and hook-ups to public utilities). **Funds cannot be used for the hard costs of constructing the housing unit.**
3. _____ County Habitat for Humanity will retain sole control of the homeowner selection process. It is understood that homeowners selected for this partnership will have incomes of 50 percent of the county median income or less. Habitat will verify income in a method consistent with the methods used by the county. The _____ County may make referrals to _____ County Habitat for Humanity regarding potential homeowners however, _____ County Habitat for Humanity will make its selection without any influence from this program.
4. After selection by _____ County Habitat for Humanity, a potential homebuyer may apply directly to the county for the above-described subsidy. If approved by the county, the homebuyer will come to the Habitat for Humanity closing with a check made out to both the homebuyer and to Habitat for Humanity.
5. Habitat for Humanity retains ownership of the property. In the event of foreclosure Habitat is responsible for finding a new family that fits the program guidelines or to repay the county with proceeds from any sale of the home on the open market.
6. The county loan will be repaid in the form of a 0% interest deferred loan repayable at time of sale or transfer of property. The county will take second position on the Habitat mortgage.
7. The _____ County Habitat for Humanity agrees to construct a unit (that is assisted with County funds) that is consistent with MSHDA's Office of Community Development (OCD) guidelines in OCD Policy Bulletin #27 (copy attached). The _____ County Habitat agrees to obtain technical assistance from Habitat for Humanity Michigan (HFHM) to help ensure consistency with MSHDA policy. Attached is an endorsement of this Agreement by HFHM.

Director - _____ County Housing Program

Director - _____ County Habitat